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dba Tulare Regional Medical Center

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

In re

TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE
REGIONAL MEDICAL CENTER,

Debtor.

Tax ID #: 94-6002897
Address: 869 N. Cherry St.
Tulare, CA 93274

CASE NO. 17-13797

Chapter 9

DC No.: WW-37

Date: May 17, 2018
Time: 9:30 a.m.
Place: 2500 Tulare Street
Fresno, CA 93721
Courtroom 13
Judge: Honorable René Lastreto II

**DECLARATION OF SANFORD HASKINS IN SUPPORT OF MOTION FOR ORDER
EXTENDING TIME TO ASSUME OR REJECT NONRESIDENTIAL REAL PROPERTY
LEASES**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

I, Sanford Haskins, hereby declare and represent as follows:

1. I am the Chief Administrative Officer ("CAO") of Tulare Local Healthcare District, dba Tulare Regional Medical Center ("TRMC" or "Debtor"), the Debtor in the above-captioned Chapter 9 case.

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1 2. I have personal knowledge of the facts contained herein and if I was called
2 as a witness, I would and could testify as is set out in this Declaration. I am over the
3 age of 18 and I am competent to testify as to the matters contained in this Declaration.

4 3. As CAO of TRMC I am personally familiar with the issues to be resolved
5 by this Motion.

6 4. I have personally reviewed the Motion for Order Extending Time to
7 Assume or Reject Nonresidential Real Property Leases ("Motion"), which seeks an
8 order extending the deadline to assume or reject unexpired nonresidential real property
9 leases from May 29, 2018 to July 28, 2018 as described with more particularity below.

10 5. I assisted in the preparation of these documents and believe that the facts
11 stated therein are true and correct.

12 6. As stated in the Motion, TRMC is the Debtor in the above-captioned
13 Chapter 9 case, which was filed on September 30, 2017 ("Petition Date").

14 7. As of the Petition Date TRMC's assets included the following unexpired
15 leases for nonresidential real property:

- 16 a. Lease between TRMC and Heiskell Ranches, LP for 880 E. Merritt,
17 Suites 105-106, Tulare , California ("Family X-Ray Center Lease"), a
18 true and correct copy of which is attached as Exhibit "A";
19 b. Lease between TRMC and Heiskell Ranches, LP for 880 E. Merritt,
20 Suites 107-109, Tulare , California ("Mineral Kings Toxicology Lease"),
21 a true and correct copy of which is attached as Exhibit "B"; and
22 c. Lease between TRMC and City of Tulare for 325 N. West St., Tulare,
23 California ("Westside Clinic Lease"), a true and correct copy of which is
24 attached as Exhibit "C";
25 (collectively, "Unexpired NRRP Leases").

26 8. The Family X-Ray Center Lease and Mineral King Toxicology Lease
27 ("Heiskell Leases") have the same Lessor, Heiskell Ranches, LP ("Heiskell"). TRMC
28 was current on the Heiskell Leases as of the Petition Date but lease payments have not

1 been made since. TRMC is currently in discussions with Heiskell to regarding payment
2 of post-petition amounts. The Heiskell Leases will expire in February 2019.

3 9. The Westside Clinic Lease is a 25 year lease which will expire in 2036.
4 This lease was paid in full in 2012. TRMC is currently working through feasibility issues
5 relating to the operation of this clinic. Until a determination regarding feasibility is made,
6 TRMC cannot determine whether the Unexpired NRRP Leases will be assumed or will
7 be rejected.

8 10. The Heiskell Ranches, LP leases will be essential to its TRMC's business
9 operations upon reopening of the hospital facilities. Accordingly, TRMC is currently
10 engaged in discussions with Heiskell Ranches, LP to discuss payment of post-petition
11 amounts due and TRMC is prepared to keep the Heiskell Leases current during the
12 extension period.

13 11. The Westside Clinic Lease, which was paid in full back in 2012, was
14 utilized for the operations of a clinic prior to the Petition Date. TRMC is currently in
15 discussions with state authorities regarding licensure issues relating to this and other
16 clinics. The outcome of these discussions will greatly impact the feasibility of clinic
17 operations, which will directly affect whether or not TRMC will assume or reject the
18 Westside Clinic Lease.

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1 12. In my business judgement, requiring TRMC to abide by the May 29, 2018
2 deadline to assume or reject these nonresidential real property leases would be
3 detrimental to TRMC because more time is needed to (a) come to an agreement with
4 Heiskell Ranches, LP regarding payment of the post-petition amounts owed and (b)
5 figure out the licensure issues relating to the any clinic which would be operated
6 pursuant to the Westside Clinic Lease.

7 I declare under penalty of perjury under the laws of the United States of America
8 that the foregoing is true and correct to the best of my information and belief.

9 Executed this 30th day of April, 2018, at Tulare, California.

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11 
12 Sanford Haskins